

**2000 GENERAL ASSEMBLY**

**FB 2000-2002**

**CONFERENCE BUDGET REPORT ANALYSIS**

**K. PERSONNEL**

**APRIL 14, 2000**

**2000 REGULAR SESSION**

**FB 2000-2002**

**CONFERENCE BUDGET REPORT ANALYSIS**

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**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

Governmental Branch: Executive Branch

Agency: Summary

Cabinet/Function: Personnel

Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund Special	7,000,000	7,000,000	7,000,000						
General Fund	3,297,100	3,297,100	3,297,100	3,430,600	3,430,600	3,430,600	3,920,200	3,920,200	3,920,200
Restricted Funds	33,499,500	33,499,500	33,499,500	30,591,400	30,591,400	30,591,400	32,028,200	32,028,200	32,028,200
<b>Regular Total Funds</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>35,948,400</b>	<b>35,948,400</b>	<b>35,948,400</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>35,948,400</b>	<b>35,948,400</b>	<b>35,948,400</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	40,090,100	40,090,100	40,090,100	29,255,200	29,255,200	29,255,200	31,118,100	31,118,100	31,118,100
Operating Expenses	3,706,500	3,706,500	3,706,500	4,500,800	4,500,800	4,500,800	4,291,100	4,291,100	4,291,100
Debt Service							389,000	389,000	389,000
Capital Outlay				266,000	266,000	266,000	150,200	150,200	150,200
<b>TOTAL EXPENDITURES</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>35,948,400</b>	<b>35,948,400</b>	<b>35,948,400</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	3,297,100	3,297,100	3,297,100	3,294,000	3,294,000	3,294,000	3,371,100	3,371,100	3,371,100
Restricted Funds	29,499,500	29,499,500	29,499,500	30,144,800	30,144,800	30,144,800	31,536,000	31,536,000	31,536,000
<b>Regular Total Funds</b>	<b>32,796,600</b>	<b>32,796,600</b>	<b>32,796,600</b>	<b>33,438,800</b>	<b>33,438,800</b>	<b>33,438,800</b>	<b>34,907,100</b>	<b>34,907,100</b>	<b>34,907,100</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>32,796,600</b>	<b>32,796,600</b>	<b>32,796,600</b>	<b>33,438,800</b>	<b>33,438,800</b>	<b>33,438,800</b>	<b>34,907,100</b>	<b>34,907,100</b>	<b>34,907,100</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund Special	7,000,000	7,000,000	7,000,000						
General Fund				136,600	136,600	136,600	549,100	549,100	549,100
Restricted Funds	4,000,000	4,000,000	4,000,000	446,600	446,600	446,600	492,200	492,200	492,200
<b>TOTAL ADDITIONAL</b>	<b>11,000,000</b>	<b>11,000,000</b>	<b>11,000,000</b>	<b>583,200</b>	<b>583,200</b>	<b>583,200</b>	<b>1,041,300</b>	<b>1,041,300</b>	<b>1,041,300</b>

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch:	Executive Branch	Agency:	Summary
Cabinet/Function:	Personnel	Appropriation Unit:	
FY 1999-2000			FY 2000-2001
			FY 2001-2002
House	Senate	Conference	House
			Senate
			Conference
			House
			Senate
			Conference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Bond Funds	2,000,000	2,000,000	2,000,000
TOTAL CAPITAL	2,000,000	2,000,000	2,000,000

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Personnel

**Cabinet/Function:** Personnel

**Appropriation Unit:**

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund Special	7,000,000	7,000,000	7,000,000						
General Fund	3,297,100	3,297,100	3,297,100	3,430,600	3,430,600	3,430,600	3,920,200	3,920,200	3,920,200
Restricted Funds	33,499,500	33,499,500	33,499,500	30,591,400	30,591,400	30,591,400	32,028,200	32,028,200	32,028,200
<b>Regular Total Funds</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>35,948,400</b>	<b>35,948,400</b>	<b>35,948,400</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>35,948,400</b>	<b>35,948,400</b>	<b>35,948,400</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	40,090,100	40,090,100	40,090,100	29,255,200	29,255,200	29,255,200	31,118,100	31,118,100	31,118,100
Operating Expenses	3,706,500	3,706,500	3,706,500	4,500,800	4,500,800	4,500,800	4,291,100	4,291,100	4,291,100
Debt Service							389,000	389,000	389,000
Capital Outlay				266,000	266,000	266,000	150,200	150,200	150,200
<b>TOTAL EXPENDITURES</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>35,948,400</b>	<b>35,948,400</b>	<b>35,948,400</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	3,297,100	3,297,100	3,297,100	3,294,000	3,294,000	3,294,000	3,371,100	3,371,100	3,371,100
Restricted Funds	29,499,500	29,499,500	29,499,500	30,144,800	30,144,800	30,144,800	31,536,000	31,536,000	31,536,000
<b>Regular Total Funds</b>	<b>32,796,600</b>	<b>32,796,600</b>	<b>32,796,600</b>	<b>33,438,800</b>	<b>33,438,800</b>	<b>33,438,800</b>	<b>34,907,100</b>	<b>34,907,100</b>	<b>34,907,100</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>32,796,600</b>	<b>32,796,600</b>	<b>32,796,600</b>	<b>33,438,800</b>	<b>33,438,800</b>	<b>33,438,800</b>	<b>34,907,100</b>	<b>34,907,100</b>	<b>34,907,100</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund Special	7,000,000	7,000,000	7,000,000						
General Fund				136,600	136,600	136,600	549,100	549,100	549,100
Restricted Funds	4,000,000	4,000,000	4,000,000	446,600	446,600	446,600	492,200	492,200	492,200
<b>TOTAL ADDITIONAL</b>	<b>11,000,000</b>	<b>11,000,000</b>	<b>11,000,000</b>	<b>583,200</b>	<b>583,200</b>	<b>583,200</b>	<b>1,041,300</b>	<b>1,041,300</b>	<b>1,041,300</b>

**V. ADDITIONAL BUDGET ITEMS**

**1 NEW      Mediation Branch-Additional Staff Positions**

(C47EC0X01) Provide funds to support 4 full-time positions and associated operating costs

<b>Restricted Funds</b>				163,400	163,400	163,400	160,800	160,800	160,800
<b>Total</b>				<b>163,400</b>	<b>163,400</b>	<b>163,400</b>	<b>160,800</b>	<b>160,800</b>	<b>160,800</b>

**2 EXPAN      Imaging System "Jukebox"-Hardware and Software**

(C47FE0X01) Provide funds to support the acquisition of an optical jukebox and associated operating costs to store employee records.

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Personnel

**Cabinet/Function:** Personnel

**Appropriation Unit:**

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>2</b>	<b>EXPAN</b>	<b>Imaging System "Jukebox"-Hardware and Software</b>								
	(C47FE0X01)	Provide funds to support the acquisition of an optical jukebox and associated operating costs to store employee records.								
<b>Restricted Funds</b>					91,800	91,800	91,800	8,400	8,400	8,400
<b>Total</b>					<b>91,800</b>	<b>91,800</b>	<b>91,800</b>	<b>8,400</b>	<b>8,400</b>	<b>8,400</b>
<b>3</b>	<b>NEWMAN</b>	<b>Personnel Board Elections</b>								
	(C47FB0X01)	Provide support for Personnel Board elections pursuant to KRS 18A.0551.								
<b>Restricted Funds</b>								31,800	31,800	31,800
<b>Total</b>								<b>31,800</b>	<b>31,800</b>	<b>31,800</b>
<b>4</b>	<b>EXPAN</b>	<b>Deferred Compensation Growth- Additional Staff Positions</b>								
	(C47BA0X01)	Provide funds to 4 new full-time positions in FY 2001 and 3 additional new full-time positions in FY 2001-02, and increased operating costs.								
<b>Restricted Funds</b>					131,800	131,800	131,800	215,800	215,800	215,800
<b>Total</b>					<b>131,800</b>	<b>131,800</b>	<b>131,800</b>	<b>215,800</b>	<b>215,800</b>	<b>215,800</b>
<b>5</b>	<b>MTCE</b>	<b>State Employee Health Insurance-Current Year Appropriation</b>								
	(C47EBCX01)	Provide funds for increased costs of providing single Option "A" health insurance coverage to eligible members in calendar year 2000; and added costs to insurers up to 125% of premium costs in calendar year 1999 per agreement with Anthem.								
<b>General Fund</b>		7,000,000	7,000,000	7,000,000						
<b>Restricted Funds</b>		4,000,000	4,000,000	4,000,000						
<b>Total</b>		<b>11,000,000</b>	<b>11,000,000</b>	<b>11,000,000</b>						
<b>6</b>	<b>NEW</b>	<b>Wage Equity Plan</b>								
	(C47AA0X01)	Provide funds to support salary improvements.								
<b>General Fund</b>					36,600	36,600	36,600	60,100	60,100	60,100
<b>Restricted Funds</b>					59,600	59,600	59,600	75,400	75,400	75,400
<b>Total</b>					<b>96,200</b>	<b>96,200</b>	<b>96,200</b>	<b>135,500</b>	<b>135,500</b>	<b>135,500</b>
<b>7</b>	<b>EXPAN</b>	<b>Computer Service Costs-Wage Equity</b>								
	(C47FC0X01)	Provide funds to support anticipated increase in computer costs due to the Personnel Cabinet's responsibility in the Wage Equity Plan.								
<b>General Fund</b>					100,000	100,000	100,000	100,000	100,000	100,000
<b>Total</b>					<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

Governmental Branch: Executive Branch

Agency: Personnel

Cabinet/Function: Personnel

Appropriation Unit:

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
7 NEW	Debt Service									
(C47AGA01)	Provide debt service to support Bond Funds totaling \$2,000,000 in FY 2000-2001 to replace the existing personnel payroll system and acquire hardware and software to allow on-line access to personnel records.									
General Fund								389,000	389,000	389,000
Total								389,000	389,000	389,000
TOTAL ADDITIONAL		11,000,000	11,000,000	11,000,000	583,200	583,200	583,200	1,041,300	1,041,300	1,041,300

**VI. EXPENDITURES BY UNIT**

<b>General Operations</b>									
General Fund	10,297,100	10,297,100	10,297,100	3,430,600	3,430,600	3,430,600	3,920,200	3,920,200	3,920,200
Restricted Funds	11,841,000	11,841,000	11,841,000	10,293,100	10,293,100	10,293,100	10,386,000	10,386,000	10,386,000
<b>Public Employees Deferred Compensation Authority</b>									
Restricted Funds	3,992,500	3,992,500	3,992,500	4,915,600	4,915,600	4,915,600	5,740,700	5,740,700	5,740,700
<b>Workers' Compensation Benefits and Reserve</b>									
Restricted Funds	17,666,000	17,666,000	17,666,000	15,382,700	15,382,700	15,382,700	15,901,500	15,901,500	15,901,500
<b>TOTAL</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>43,796,600</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>34,022,000</b>	<b>35,948,400</b>	<b>35,948,400</b>	<b>35,948,400</b>

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Personnel Cabinet**

#### **BRANCH BUDGET**

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support is provided in FY 1999-2000 in the amount of \$7,000,000 to support the additional costs of providing single Option "A" health insurance coverage for all eligible members of the state group in 22 counties where the state contribution of \$214 (per contract per month) in calendar year 2000 is not sufficient. These moneys are built in to the Base Level Budget in each fiscal year of the next biennium. The state contribution is budgeted at \$242.00 (per contract per month) in calendar year 2001 and \$264 (per contract per month) in calendar year 2002.

Additional Restricted Funds totaling \$4,000,000 are also provided in FY 1999-2000 to pay for any losses up to 125 percent of the premium costs for providing coverage to members of the state group in 17 Western Kentucky counties where coverage was not offered by other health insurance carriers in calendar year 1999. These Restricted Funds support the Commonwealth's agreement with Anthem and represent the projected cost of this agreement.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional funding support totaling \$44,300 in FY 2000-2001 and \$46,200 in FY 2001-2002 and additional Restricted Funds support totaling \$72,200 in FY 2000-2001 and \$75,400 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July each fiscal year equal to 2.4%. Additional salary adjustments equal to 1% , 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increases in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional General Fund moneys totaling \$100,000 in each fiscal year of FB 2000-2002 are budgeted to meet the projected increase costs in computer services for the Personnel Cabinet's responsibilities in the administering of the Wage Equity Plan.

Additional Restricted Funds are provided in the amount of \$91,800 in FY 2000-2001 and \$8,400 in FY 2001-2002 for the purchase of an imaging "jukebox" system. This system will allow the Personnel Cabinet to maintain employee records. Also, additional Restricted Funds totaling \$163,400 in FY 2000-2001 and \$160,800 in FY 2001-2002 to establish a Mediation Branch. Included in the costs of the Mediation Branch are four new full time positions and related operating costs. The purpose of the Mediation Branch is to provide dispute resolution assistance to state employees and agency managers to foster an improved work relationships.

Restricted Funds are provided in the amount of \$131,800 in FY 2000-2001 and \$215,800 in FY 2001-2002 support the expansion investment counselor services in the Public Employees Deferred Compensation Authority. Four additional full-time positions are funded in FY 2000-2001 and an additional three new full-time positions are funded in FY 2001-2002. Additional Restricted Funds are also provided in FY 2001-2002 in the amount of \$31,800 to support the management of Personnel Board elections.

## FB 2000-2002 BUDGET MODIFICATION REPORT

### Personnel Cabinet

Following is the Branch Budget by Expenditure Unit:

<u>Expenditure Unit</u>	<u>Request</u>	<u>FY 1999-2000</u> <u>Recommended</u>	<u>Difference</u>	<u>Request</u>	<u>FY 2000-2001</u> <u>Recommended</u>	<u>Difference</u>	<u>Request</u>	<u>FY 2001-2002</u> <u>Recommended</u>	<u>Differen</u>
<b>General Operations</b>									
General Fund	3,297,100	10,297,100	7,000,000	3,376,200	3,438,300	62,100	3,489,000	3,517,300	28,300
Restricted Funds	7,841,000	11,841,000	4,000,000	10,291,300	10,293,100	1,800	10,352,400	10,386,000	33,600
<b>Total</b>	<b>11,138,100</b>	<b>22,138,100</b>	<b>11,000,000</b>	<b>13,667,500</b>	<b>13,731,400</b>	<b>63,900</b>	<b>13,841,400</b>	<b>13,903,300</b>	<b>61,900</b>
<b>Public Employees Deferred Compensation Authority</b>									
Restricted Funds	3,992,500	3,992,500		4,943,200	4,915,600	(27,600)	5,773,700	5,740,700	(33,000)
<b>Worker's Compensation Benefits and Reserve</b>									
Restricted Funds	17,666,000	17,666,000		15,392,300	15,382,700	(9,600)	15,911,600	15,901,500	(10,100)
<b>Total Personnel Cabinet</b>	<b>32,796,600</b>	<b>43,796,600</b>	<b>11,000,000</b>	<b>34,003,000</b>	<b>34,029,700</b>	<b>26,700</b>	<b>35,526,700</b>	<b>35,545,500</b>	<b>18,800</b>

### HOUSE REPORT

The House Report concurs with the Branch Budget Recommendation with following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$96,200 in FY 2000-2001 and \$135,500 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 or each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs, General Fund support totaling \$389,000 in FY 2001-2002 for debt service on new personnel payroll system and for hardware and software to allow on-line access to personnel records.

The Branch Budget Bill, Part II, Capital Budget includes Bonds Funds in the amount \$2,000,000 in FY 2000-2001 to support the following capital items: On Line Access to Employee Records (\$550,000) and New Payroll System (\$1,450,000).

### SENATE REPORT

The Senate concurs with the House.

### CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Personnel

Cabinet/Function: Personnel

Appropriation Unit:

FY 1999-2000			FY 2000-2001			FY 2001-2002		
House	Senate	Conference	House	Senate	Conference	House	Senate	Conference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Bond Funds	2,000,000	2,000,000	2,000,000
<b>TOTAL CAPITAL</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>

II. CAPITAL PROJECTS

1 (C47A1375) Personnel-Payroll System for State Government

Bond Funds	1,450,000	1,450,000	1,450,000
<b>Total</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>1,450,000</b>

2 (C47A1178) On-Line Access to Employee Records

Bond Funds	550,000	550,000	550,000
<b>Total</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>

4 (C47AGA02) Franklin County - Lease

<b>Total</b>			
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<b>TOTAL</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
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